

117TH CONGRESS
1ST SESSION

S. 2521

To require the Administrator of the Small Business Administration to establish an SBIC Working Group, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 28, 2021

Mr. CARDIN (for himself and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To require the Administrator of the Small Business Administration to establish an SBIC Working Group, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SBIC Working Group Act of 2021”.

6 **SEC. 2. SBIC WORKING GROUP.**

7 (a) DEFINITIONS.—In this section—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively;

4 (2) the term “covered Members” means the
5 Chair and Ranking Member of—

6 (A) the Committee on Small Business and
7 Entrepreneurship of the Senate; and

8 (B) the Committee on Small Business of
9 the House of Representatives;

10 (3) the terms “licensee”, “small business in-
11 vestment company”, and “underlicensed State” have
12 the meanings given those terms in section 301 of the
13 Small Business Investment Act of 1958 (15 U.S.C.
14 662);

15 (4) the term “low-income community” has the
16 meaning given the term in section 45D(e) of the In-
17 ternal Revenue Code of 1986;

18 (5) the term “rural area” has the meaning
19 given the term by the Bureau of the Census;

20 (6) the terms “small business concern”, “small
21 business concern owned and controlled by veterans”,
22 and “small business concern owned and controlled
23 by women” have the meanings given those terms in
24 section 3 of the Small Business Act (15 U.S.C.
25 632);

1 (7) the term “socially or economically disadvan-
2 taged individual” means a socially disadvantaged in-
3 dividual or economically disadvantaged individual, as
4 described in paragraphs (5) and (6)(A), respectively,
5 of section 8(a) of the Small Business Act (15 U.S.C.
6 637(a));

7 (8) the term “underfinanced State” means a
8 State that has below median financing, as deter-
9 mined by the Administrator; and

10 (9) the term “underserved community”
11 means—

12 (A) a HUBZone, as defined in section
13 31(b) of the Small Business Act (15 U.S.C.
14 657a(b));

15 (B) a community that has been designated
16 as an empowerment zone or an enterprise com-
17 munity under section 1391 of the Internal Rev-
18 enue Code of 1986;

19 (C) a community that has been designated
20 as a promise zone by the Secretary of Housing
21 and Urban Development; and

22 (D) a community that has been designated
23 as a qualified opportunity zone under section
24 1400Z–1 of the Internal Revenue Code of 1986.

1 (b) ESTABLISHMENT.—Not later than 90 days after
2 the date on which the covered Members submit to the Ad-
3 ministrator a notification that the covered Members have
4 made all selections described in subparagraphs (A)(ii),
5 (B)(ii), and (D) of paragraph (1) (and that the individuals
6 so selected have accepted those assignments), the Admin-
7 istrator shall establish an SBIC Working Group (referred
8 to in this section as the “Working Group”), which shall—

9 (1) include—

10 (A) 4 representatives—

11 (i) among general partners of licens-
12 ees that have a demonstrated record of in-
13 vesting in—

14 (I) low-income communities;

15 (II) communities that have been
16 designated as qualified opportunity
17 zones under section 1400Z–1 of the
18 Internal Revenue Code of 1986;

19 (III) businesses primarily en-
20 gaged in research and development;

21 (IV) manufacturers;

22 (V) businesses primarily owned
23 or controlled by individuals in under-
24 served communities before receiving
25 capital from the licensee; and

(VI) rural areas; and

2 (ii) of whom—

15 (IV) 1 shall be selected by the
16 Ranking Member of the Committee on
17 Small Business of the House of Rep-
18 resentatives;

19 (B) 4 representatives—

(I) a low-income community;

(II) a community that has been designated as a qualified opportunity zone under section 1400Z-1 of the Internal Revenue Code of 1986;

(III) an underserved community;

(IV) a rural area; or

(V) an underfinanced State; and

(ii) of whom—

(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(IV) 1 shall be selected by the Ranking Member of the Committee on Small Business of the House of Representatives;

(C) the Associate Administrator for the Office of Investment and Innovation of the Administration, who shall—

(i) serve as the Chair of the Working

Group; and

(ii) select not more than 4 additional

representatives from the Office of Investment and Innovation of the Administration to serve as representatives of the Working

Group; and

(D) 4 representatives from the investment industry or academia, or who are bank limited partners, with expertise in developing and monitoring interventions to expand the investment industry, of whom—

(i) 1 shall be selected by the Chair of Committee on Small Business and Entrepreneurship of the Senate;

(ii) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(iii) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

1 (iv) 1 shall be selected by the Ranking
2 Member of the Committee on Small Busi-
3 ness of the House of Representatives;

(i) low-income communities;

(iii) underserved communities; and

15 (iv) rural areas; and

16 (B) investments made in underfinanced
17 States;

(3) develop recommendations for incentives for
small business investment companies to—

20 (A) invest and locate in underlicensed
21 States and underfinanced States; and

22 (B) invest in small business concerns, in-
23 cluding those owned and controlled by socially
24 or economically disadvantaged individuals, small
25 business concerns owned and controlled by veterans

1 erans, and small business concerns owned and
2 controlled by women; and

3 (4) develop recommendations for metrics of suc-
4 cess, and benchmarks for success, with respect to
5 the goals described in this section.

6 (c) AVAILABILITY OF MEETINGS.—The Working
7 Group may make the meetings of the Working Group open
8 to the public without regard to whether those meetings
9 are held in-person, virtually, or by some other means.

10 (d) REPORT.—Not later than 1 year after the date
11 on which the Administrator establishes the Working
12 Group under subsection (b), the Working Group shall sub-
13 mit to the Committee on Small Business and Entrepre-
14 neurship of the Senate and the Committee on Small Busi-
15 ness of the House of Representatives a report that in-
16 cludes—

17 (1) the recommendations of the Working
18 Group; and

19 (2) a recommended plan and timeline for imple-
20 menting the recommendations described in para-
21 graph (1).

22 (e) TERMINATION.—The Working Group shall termi-
23 nate on the date on which the Working Group submits
24 the report required under subsection (d).

1 (f) APPLICABILITY OF FEDERAL ADVISORY COM-
2 MITTEE ACT.—The Federal Advisory Committee Act (5
3 U.S.C. App.) shall not apply with respect to the Working
4 Group or the activities of the Working Group.

